

# **EXHIBIT 66**

## **REDACTED**

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## Go g e Ad Manager

### **[Comms Doc] - Ad Manager Unified 1st Price Auction - go/1p-pub-comms**

Complexity: A | Authors: [REDACTED] | Last Updated: 9/27/2019

#### **LATEST UPDATES**

**9/25/2019: The transition to unified first-price auction is now complete! Please notify your publishers using approved email template.**

[Authorized Buyers](#), [Google Ads / DV360](#), [AdMob](#), [FAQ](#), [Protections Changes](#), [Protections Migration Plan](#), [Reporting and Insight changes](#), [Bid Data Transfer UPR](#) / [Priority inverted line items](#)

In order to help simplify programmatic for our partners, we are transitioning publisher inventory to a unified, 1st price auction for Google Ad Manager. By switching to a single 1st price auction, we can help reduce complexity and create a fair and transparent market for advertisers and publishers.

We are also introducing new [Unified Pricing rules](#), to make it easy for publishers to set and manage pricing across all indirect sources of demand in the unified auction in Google Ad Manager.

Last year we made our publisher platforms simpler with the launch of Google Ad Manager. We are now taking a step further to simplify even more how publisher sell to indirect demand, by making the following changes:

- Transitioning Ad Manager to a unified 1st price auction, where all buyers compete and pay what they actually bid.
- Launching simplified Unified Pricing rules to set floors that apply consistently across not only Authorized Buyers (including Google Ads and DV360), but also Exchange Bidding and non-guaranteed line items. This makes it convenient for publisher to set and manage floors across all indirect sources of demand from a single place in Ad Manager. Unified Pricing rules will replace Open Auction pricing rules
- Changing what can set the reserve price sent to RTB buyers by removing non-guaranteed line items from calculating the Ad Manager reserve price.

#### **Simplicity**

- Auction dynamics are easier to understand, with all programmatic buyers competing directly in a single, unified 1st price auction, where the winner simply pays the price they bid
- Publishers can conveniently manage floor prices across all indirect sources of demand via Unified Pricing rules (today, 3P EB demand floors need to be managed in each respective exchange UI)
- Less need for publishers to spend time optimizing floors to reduce the auction discount, since in the unified 1st price auction there is no gap between bid and closing price

#### **Sustainability**

- All indirect buyers, including non-guaranteed line items, compete in the same unified auction and have an equal opportunity to win an impression
- No competing offers set the price paid by another buyer, and the highest eligible bid wins the auction

#### **Transparency**

- Complete visibility into every single programmatic bid on every auction through [data transfer files](#) (currently in Beta)

The programmatic ecosystem has evolved from a pure second price auction to a complex marketplace consisting of multiple auctions with a mix of 1st and 2nd price. This complexity has created inefficiencies for publishers and buyers.

Currently, Ad Manager runs a [two-stage auction](#) to decide the ad that will serve and the payment a

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## Go g e Ad Manager

publisher receives. This two-stage auction **does not guarantee the highest bid to win the auction**, makes it **hard to understand auction dynamics** and **complicates yield management** across sources of indirect demand.

Applying consistent pricing to all demand sources a publisher works with can be cumbersome, requiring coordination across different Uls to set floor prices. Extending pricing rules to manage floor prices across indirect demand sources in a centralized way has been a popular feature request from publishers.

All Ad Manager publishers (no opt out for publishers or buyers).

- **May 6:** Unified pricing rules available to publishers (open beta). All publishers are encouraged to start setting unified pricing rules to prepare for the transition to unified 1st price auction
- **June 10:** ~1% of publisher traffic to be diverted to a 1st price auction experiment. Only unified pricing rules apply to this traffic. Open Auction rules don't apply to this traffic.
- **June 26:** ~5% of publisher traffic to be diverted to a 1st price auction experiment. Only unified pricing rules apply to this traffic. Open Auction rules don't apply to this traffic.
- **July 29:** ~10% of publisher traffic to be diverted to a 1st price auction experiment. Only unified pricing rules apply to this traffic. Open Auction rules don't apply to this traffic.
- **September 10:** Ad Exchange traffic starts to be transitioned in full to a first-price auction. The transition will apply gradually over the course of a few weeks. After the transition is complete, all publisher traffic is on 1st auction and only unified pricing rules apply. Open Auction rules no longer apply and will be retired. New Open Auction rules can no longer be created and existing ones will no longer be accessible
  - For a short period of time, a small percentage (3% or less) of traffic is maintained on 2nd price auction, for monitoring the transition and ensure minimal disruption.

### **Next Steps**

- Sales: Please notify your publishers using approved [email template](#)

Beta [CLOSED]

**June 10, 2019:** 1% of queries\* are 1st price  
[LAUNCHED]

**June 26, 2019:** 5% of queries\* are 1st price  
[LAUNCHED]

**July 29, 2019:** 10% of queries\* are 1st price  
[LAUNCHED]

\*Ad Manager and AdMob

GA [LAUNCHED]

**September 10, 2019:** start of final ramp-up.  
Expected to complete over a few weeks.  
After transition is complete almost all queries\* are 1st price .

### **September 25, 2019**

Transition to 1st price is now complete  
- Almost all queries\* are 1st price .  
- Open Auction pricing rules are deprecated and replaced by Unified pricing rules  
- Branding settings are managed in **URLs**.  
- Advertiser and buyer blocks are managed in

### **Protections**

\*Ad Manager and AdMob. For monitoring purposes, a small fraction of traffic (~3%) will be maintained to second-price for few more weeks.

### **Table of Contents**

#### 1. Product Overview

Unified 1st price auction

Unified Pricing rules

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## Google Ad Manager

Ad Exchange Open Auction pricing rules deprecation  
Changing what can set the Ad Manager reserve price

### 3. Commercialization Plan

#### 3.2. Beta

#### 3.2. GA

### 6. Commercialization Resources

### 7. Project Contacts

### 8. FAQ

Last year we took a major step toward simplification of our publisher ad platforms with the launch of Google Ad Manager, a unified solution for publishers to manage their ad revenue across direct and indirect sources of demand. In order to help simplify programmatic for our partners even more, we are now transitioning publisher inventory to a unified, 1st price auction for Google Ad Manager. This implies three major changes on how the auction works.

We are transitioning all programmatic demand directly to a unified 1st price auction to reduce complexity in auction dynamics, increase transparency and ensure that the highest net bid always wins. Authorized Buyers (including Google Ads and Display & Video 360) will compete directly with 3rd-party exchanges on Exchange Bidding in a single unified 1st price auction, and pay what they bid

Currently, Ad Manager runs a two-stage auction to decide the ad that will serve and the payment a publisher receives: the closing price for the Ad Exchange auction is first determined as the second-highest net bid (or the reserve price applied to the impression); this closing price is then compared to Exchange Bidding net bids to determine the winner. This two-stage auction does not guarantee the highest bid to win the auction. Feedback suggests it also makes it hard to understand auction dynamics and complicates yield management across sources of indirect demand.

With this change, Ad Manager will be transitioning auction demand<sup>1</sup> (i.e Authorized Buyers, including Google Ads, Display & Video 360) directly to the unified auction. Authorized Buyers (including Google Ads and DV360) will compete directly with Exchange Bidding in a single unified 1st price auction, and pay what they bid when they win the impression.

While today publishers can set pricing floors for Ad Exchange demand in the Ad Manager UI, they are unable to do so for Exchange Bidding and other indirect sources of demand trafficked through non-guaranteed line items. Applying consistent pricing to all demand sources can be cumbersome for publishers, requiring coordination across different demand partner's UI to set floor prices.

With the introduction of Unified pricing rules, publishers will be able to configure and manage pricing floors for a given inventory targeting, that apply not only to Authorized Buyers (including Google Ads and DV360), but also exchanges on Exchange Bidding and non-guaranteed line item, from a single UI in Google Ad Manager. Note that for mobile apps, the unified floor does not apply to 3rd-party ad networks in a mediation chain; this means that ad networks in a mediation chain will still be sorted using the estimated CPM for each ad network tag, with the bid from the unified auction competing in the mediation chain.

Unified Pricing Rules can be found under the **Inventory > Pricing** tab. Unified Pricing rules have the same targeting functionality available in current Open Auction pricing rules (Ad Units, Ad Placements, URS, Geo/country, Inventory Sizes,

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<sup>1</sup> This change will also extend to Authorized Buyers (including Google Ads, DV360) on Admob

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## Google Ad Manager

key values, OS, Device, Inventory Bundles, etc). Publishers will have the ability to set a single floor for all sources of demand for the given targeting.

**Unified Pricing rules will not support the following functionalities that were present in Open Auction pricing rules:**

- **Buyer-specific floors:** ability to set different floors for different buyers/bidders for a given inventory targeting
- Different floors for different branding types: different floors for anonymous/ branded/ semi-transparent callouts
- Anonymous callout: callout are branded or semi-transparent . Settings to control branded and semi-transparent inventory will migrate from Open Auction pricing rules to the URLs. Semi-transparent URL rewrites will not be possible.
- Rule priority: ability to disambiguate pricing rules with overlapping inventory targeting by setting one rule at a higher priority than the other conflicting rule; in case of overlapping Unified Pricing rules, the maximum available floor will apply to the demand available.
- Advertiser / Buyer blocks: these will be moved to Protections

**Unified pricing rules will replace Open Auction pricing rules, which will be deprecated after the transition to unified 1st price auction is complete in Q3 2019**

As part of this deprecation:

- Buyer-specific floors will be sunset as setting per-buyer floors is not relevant to maximize yield in a 1st price auction. To manage channel conflict, **publishers will still be able to:**
  - **Set per-advertiser floors in Unified Pricing rules**
  - Configure buyers and advertiser blocks for a given inventory through Protections
- Anonymous branding type will not be supported (but semi-transparent callouts will still be possible); with the introduction of ads.txt, we have observed that anonymous domain inventory creates a vector for fraud and is difficult for buyers to validate, contributing to the overall perceived lack of transparency in the ecosystem.
- Publisher ability to set different floors for different branding types will also be sunset

Currently, the price of the best available Ad Manager line item (across both direct and indirect campaigns) can set the reserve price in Dynamic Allocation and is passed as a floor to all buyers in the RTB auction. This means that it is possible for non-guaranteed line items to set the floor price for Exchange Bidding and Authorized Buyers.

With the move to a unified 1st price auction, Ad Manager will not consider the price of competing non-guaranteed line items to calculate the reserve price. The key benefit for publishers is that Google Authorized Buyers, Exchange and Open Bidding buyers and non-guaranteed line items, will have an equal and fair opportunity to win an impression. No competing offers will set the price paid by another buyer, and the highest eligible offer will win the auction.

The announcement plan for these changes is as follows:

<b>March 6th 2019</b>	Google Ad Manager blog post announcing the changes to auction dynamics
<b>April 18th 2019</b>	Communicate launch of unified pricing rules to Open beta (and deprecation of open auction pricing rules after transition is complete) via scaled email and account teams

### 3.2. Beta

**All Publishers (no opt out)**

- **June (week of June 10) 2019:** 1% of Ad Manager and AdMob queries will be 1st price
- **June 2019:** 5% of all Ad Manager and AdMob queries will be 1st price

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## Go g e Ad Manager

### **Buyers**

- We will indicate to buyers in the bid request which queries are 1st vs 2nd price. (Bidders can choose not to bid on 1P queries if they are not yet ready to migrate)
- Publishers are strongly encouraged to set Unified Pricing rules, which will apply to both 1st and 2nd price traffic. **Adx OA pricing rules will not apply to the 1st price traffic.**

### **Sales**

- LPS: (AMS) 2/21/2019 , (EMEA) 2/20/2019, (APAC) 2/28/2019
- OPG: (AMS) 2/25/2019, (EMEA) 2/18/2019

### **Internal**

- Pub Bulletin: 3/7/2019

### **External**

- **March 2019:**
  - Ad Manager Blog (live on 3/6/2019, 6PM ET)
  - Pre-brief (only for approved publishers)
  - Email template , Release Notes (3/11/2019)
- **April 2019** - Unified pricing rules
  - Release Notes
  - Help Center: Transition schedule, Unified pricing rules
  - Pre-brief , Scaled email to all publishers(Report) , Proactive outreach via email template , House ranking change
  -
- **May 2019**
  - Ad Manager Blog (live on 5/10/2019)
- **June 2019**
  - Beta (1%): Release Notes (6/17/2019), Email
  - Beta (5%): Release Notes (7/1/2019), Email
  - UI Notifications: Anonymous deprecation in First Look rules , OA rules deprecation
  - URLs control: Release Notes (7/1/2019)
- **July 2019**
  - Increase auction transparency: Release Notes (7/1/2019)
  - URLs controls: Release Notes (7/15/2019)
  - Beta (10%): Release Notes (7/29/2019) , Email

Troubleshooting: [REDACTED]

### **3.2. GA (100% ramp-up to first-price auction)**

#### **All Publishers (no opt out)**

- Target late August / early September 2019, 100% of Ad Manager and AdMob inventory will move to 1st price.

All publishers will be migrated to 1P for GA.

### **Internal**

- Pub Bulletin: 9/30/2019

### **External**

- **September 2019**
  - Ad Manager Blog
  - Email, Email (confirmation transition is complete)
  - Scaled email to all publishers

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# Google Ad Manager

- [Help Center](#)
- [Release Notes \(9/9, 8/10\)](#)
- Troubleshooting: [REDACTED]
  - > [REDACTED]
- Consultative support: Post GA, SPM will be able to request a GPSE pricing consult

Training slides	<a href="#">1P Announcement, 1P / Unified pricing rules</a>	Deck	<a href="#">Link (DO NOT SEND / LEAVE BEHIND)</a>
Competitive intel	<a href="#">External links: 1, 2, 3, 4, 5</a>	Email Template	<a href="#">Unified pricing rules</a> <a href="#">House ranking change</a> <a href="#">1% roll-out</a> <a href="#">5% roll-out</a> <a href="#">10% roll-out</a> <a href="#">100% roll-out</a> <a href="#">Email (confirmation transition is complete)</a>
PRD	<a href="#">Link</a>	Press Coverage	<a href="#">Running press coverage Report</a>
Release Notes	<a href="#">[TBD]</a>	<a href="#">Help Center</a>	<a href="#">Transition schedule, Unified pricing rules</a> <a href="#">Transition Guide</a>

Comment [1]: Add

[REDACTED]

To make it easier to digest, FAQs have been moved to a separate document - [see here](#)